



PERSI REMAINS STABLE DESPITE MARKET DROP

-prudent investment policy ensures member benefits are safe-

BOISE, Idaho, September 18, 2008 - The Board of Directors for the Public Employee Retirement System of Idaho (PERSI) today announced that despite recent market volatility, it remains a stable and secure fund. "Although the stock market plunge has shaken the stability of the financial system and hurt many public pension funds, including PERSI, I want to assure our members that their retirement is safe," says PERSI Retirement Board Chairman Jody Olson. The precipitous drop in value on Monday, September 15, 2008, measuring -4.4% on the DOW and -4.7% on the overall equity markets, has had a relatively small effect on PERSI, and was almost entirely recovered as the week progressed. Fiscal year to date returns were down -4.0%; -2.7% of that represents the month of September. Today's asset value is \$10,470,669,532. PERSI will continue to monitor market fluctuations, but does not plan to alter its basic investment strategy.

Investment performance is a major factor in producing system assets, and a key factor in determining contribution rates for active employees and cost of living adjustments (COLAs) for retirees. PERSI's investment diversification trust policy is consistent with the objective of reducing the risk of significant losses. Consequently, the total portfolio is prudently maintained so that assets are chosen in a way that they will respond differently to market stimuli. Because of this prudent diversification approach, the volatile market and current recession are having less impact on the PERSI fund. Over the years, PERSI has learned to position its portfolio to minimize market fluctuations to the extent possible. "Our approach is simple, transparent, very diversified with no leverage, no hedge funds and no derivatives, in large part because there are periods in the market like this every few years," says Maynard. It should be noted that PERSI was up nearly 20% at the end of Fiscal Year 2007.

"Our portfolio will continue to be well-funded and provide long-term stability for our members' retirement future. Defined Benefit Plans managed similar to PERSI reduce their exposure, so retirees can feel secure their benefits will remain intact. PERSI's Chief Investment Officer Bob Maynard, our investment managers, and the rest of our portfolio team are to be commended in times like these," notes Olson.

PERSI was created in 1963 by the Idaho legislature for the purpose of providing secure, long-term pension benefits for public employees. Today, PERSI administers a plan for more than 700 employer members and nearly 122,000 members and beneficiaries. It is a qualified tax-deferred plan under IRS Code Section 401(a). PERSI activities positively affect the taxpayers of Idaho by consolidated administration and investments. PERSI members and beneficiaries receive direct benefits through retirement, disability, and death benefit programs.